

H HEALTHCARE BERHAD

Risk Management Committee Terms of Reference

1. Status

1.1 The Risk Management Committee (“**RMC**”) is a committee of the Board of Directors (“**Board**”) of H Healthcare Berhad (“**Company**”).

2. Membership

2.1 The RMC shall be appointed by the Board amongst its Directors and shall comprise at least three (3) members who must be Non-Executive Directors and the majority of whom shall be Independent Directors. In determining the independence of the members of the RMC, the Board will observe the requirements of Paragraph 1.01 of the Main Market Listing Requirement (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), and the relevant Practice Notes that may be issued by Bursa Securities from time to time.

2.2 All members of the RMC must possess sound judgement, objectivity, integrity and sufficient management experience and knowledge of the industry.

2.3 The Chairman of the RMC shall be an Independent Non-Executive Director appointed by the Board. The Chairman of the RMC shall not be the chair of the Board.

2.4 Where the members of the RMC for any reason are reduced to less than three (3), the Board shall, within three (3) months from the occurrence of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2.5 All members of the RMC, including the Chairman, will hold office only so long as they remain as Non-Executive Directors of the Company.

2.6 Any member of the RMC may relinquish his/her membership in the RMC with prior written notice to the Company Secretary.

3. Primary Purpose

3.1 The RMC is responsible for:-

- (a) assisting the Board in fulfilling its statutory and fiduciary responsibilities including ensuring that the Company has in place a sound and robust risk management framework and ensure that such framework has been effectively implemented to enhance the Company’s ability to achieve its strategic objectives;
- (b) reviewing the management of key risks including but not limited to financial, operational, medical and clinical, regulatory compliance, cyber security, sustainability and reputational risks;
- (c) reviewing reports from risk management department and/or the Medical Affairs and Quality department on risk exposures and risk management plans to cover compliance with the Group’s policies, and the overall risk mitigation plan;
- (d) assisting the Board in ensuring that the Management maintains sound risk management processes to safeguard and enhance enterprise value; and

- (e) ensuring that proper processes and procedures are in place to comply with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.

4. Responsibilities

The responsibilities of the RMC shall be to:

- 4.1 Oversee the Risk Management framework and policies. In doing this, the RMC is to identify for the Board's determination the Group's level of risk tolerance and to actively identify, assess and monitor key business risks of the Group;
- 4.2 Ensure alignment of Risk Management strategies and culture with the Group's business objectives;
- 4.3 Ensure that an appropriate risk reporting structure is established to facilitate reporting of risks to Management and the Board;
- 4.4 Ensure that a comprehensive Risk Management approach is in place to identify risks, communicate risk interrelationships and manage risk profiles across the organization;
- 4.5 Ensure that key risks are effectively managed in accordance with the Group's Risk Management strategies and policies;
- 4.6 Evaluate how the Management is reviewing the principal business risks and assess the appropriateness of the mechanisms in place to identify, mitigate and manage these business risks;
- 4.7 Ensure an appropriate system is established to identify and report on areas of potential business risk in sufficient time in order for remedial actions to be taken so that the effect of uncertainties on fulfilling business goals and objectives are minimised;
- 4.8 Conduct an annual review and periodic testing of the Company's internal control and risk management framework;
- 4.9 Conduct an annual review of the Group and operating countries' risks, present and future risk trends and any material risk issues facing the Group or countries in which the Group operates;
- 4.10 Review the following and report the same to the Board:
 - (a) Group's six-monthly consolidated enterprise risk management reports;
 - (b) Regulatory and clinical compliance reports; and
 - (c) Any other reports within the purview of the RMC and as required by the RMC.
- 4.11 Recommend to the Board its findings and propose course of actions to be taken to ensure controls are put in place to address these risks. In this context, business risks include all key risks (i.e. external/strategic risks and also internal operational, financial, compliance risks) which, due to their nature, can deter the business from achieving its strategic goals; and

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- 4.12 Ensure that there are adequate resources to support the Group's Risk Management function in fulfilling its responsibilities.

Others

- 4.13 Review the reports/statements within the purview of the RMC for inclusion in the Annual Report and report the same to the Board.
- 4.14 Obtain regular updates from the Management and legal counsel of the Group regarding regulatory and compliance matters.
- 4.15 Review the findings, queries or investigation by the regulatory agencies.
- 4.16 Carry out any other function that may be mutually agreed upon by the RMC and the Board.

5. Authority

The RMC shall have the authority to:

- 5.1 Obtain external professional advice or other advice and invite persons with relevant experience to attend its meetings, if necessary;
- 5.2 Investigate any matter within its terms of reference, have the resources which it needs to do so and have full and unrestricted access to information pertaining to the Group and the Management whereby all employees of the Group are required to comply with requests made by the RMC;
- 5.3 Have direct communications channels with the Senior Management on a continuous basis, such as the Chairman, the Managing Director, the Chief Operating Officer and the Chief Financial Officer of the Group and its operating subsidiaries in order to be kept informed of matters affecting the Group;
- 5.4 Appoint an independent party to conduct or to assist in conducting any investigation, upon the terms of appointment to be approved by the RMC; and
- 5.5 Have access to the advice and services of the Company Secretary.

6. Notice and Meetings

- 6.1 The RMC shall meet four (4) times each year and at such other time(s) as it deems necessary to fulfill its responsibilities. If any member is unable to be physically present, he/she may choose to participate via video or tele-conferencing or any other means of audiovisual communications and the person shall be deemed to be present in person and shall be entitled to vote or be counted in a quorum accordingly.
- 6.2 The Company Secretary, in consultation with the Chairman of the RMC, shall draw up the agenda of the meeting. The agenda, together with the relevant support papers, shall be circulated at least five (5) working days prior to each Committee meeting.
- 6.3 The quorum for the RMC shall be two (2), both of whom must be independent directors.

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- 6.4 Each member of the RMC is entitled to one (1) vote in deciding the matters deliberated in the meeting. The decision that gained the majority votes shall be the decision of the RMC.
- 6.5 In the event of an equality of votes, the Chairman of the RMC shall not be entitled to a second or casting vote. Such matter would be escalated to the Board for decision.
- 6.6 A member of the RMC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.
- 6.7 The RMC has the full discretion to invite such other persons or officers of the Company to its meeting, as it deems necessary.

7. Communication to the Board

- 7.1 The minutes of each RMC meeting shall be tabled to the Board for notation.
- 7.2 The RMC Chairman shall report on each meeting to the Board regarding all relevant matters and appropriate recommendations, in a written report for noting or approval by the Board.
- 7.3 The RMC may from time to time submit to the Board its recommendation on matters within its purview, for the Board's decision.
- 7.4 Where the RMC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR, the RMC must promptly report such matter to Bursa Securities.

8. Circular Resolution

- 8.1 Any resolution in writing signed by a majority of all members of the RMC shall be as valid and effectual as if it had been passed at a meeting of the RMC duly convened and held.
- 8.2 All such resolutions shall be described as "RMC Members' Circular Resolutions" and shall be forwarded or otherwise delivered to the Company Secretary without delay and shall be recorded by the Company Secretary in the minutes book.
- 8.3 Any such resolution may be contained in a single document or may consist of several documents in the like form, each signed by one (1) or more members.
- 8.4 The expressions "in writing" or "signed" include approval by legible confirmed transmission by facsimile, email or other forms of electronic communications.

9. Secretariat

- 9.1 The Company Secretaries of the Company shall be the Secretary of the RMC.
- 9.2 The Company Secretary shall be responsible for preparation of the agenda in consultation with the Chairman, and distribution to all the members the papers to be deliberated at the meeting.